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STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: SPECIAL ECONOMIC ASSISTANCE TO INDIVIDUAL COUNTRIES OR REGIONS

Assistance for the reconstruction and development of Djibouti

Report of the Secretary-General

I. INTRODUCTION

1. The present report is submitted to the General Assembly pursuant to resolution 50/58 F of 12 December 1995 on assistance for the reconstruction and development of Djibouti. It provides a brief description of the progress made in the implementation of the resolution in Djibouti.

II. GENERAL SITUATION

2. The Republic of Djibouti is strategically situated in the Horn of Africa at the juncture of the Red Sea and the Indian Ocean. It has a coastline of 370 kilometres and common borders with Eritrea in the north, Ethiopia in the west and south and Somalia in the south-east. The country covers an area of 23,000 square kilometres characterized by an arid climate and extremely limited water and agricultural potential. Annual rainfall averages only 130 millimetres and there is no significant food production.

3. The country's population is estimated at 520,000, according to the 1991 census. With an annual natural growth rate estimated at 3.1 per cent, the population is projected to double in 22 years. In addition, the presence of a

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large group of refugees and displaced persons from neighbouring countries has placed enormous strain on the meagre resources available. The total number of refugees and displaced persons is not known, but estimates range from 100,000 to 150,000. The majority of Djiboutians are from the Afar and Issa ethnic tribes.

4. The population is mostly urban and is concentrated in the capital. This high urban concentration has led to many economic and social problems. In terms of human development, Djibouti is ranked, according to the Human Development Report 1994, as 163rd among the 173 countries reviewed. According to that report, the adult literacy rate is no more than 19 per cent, while life expectancy at birth is one of the lowest in the world (48 years). Women play an active role in the economy of Djibouti and constitute 32.2 per cent of the labour force. In the formal urban sector, they are employed mainly as clerical or administrative staff and in rural areas they play an important role in livestock raising.

5. The economy of Djibouti is dual and characterized by an important informal sector directed towards customers with low purchasing power and by a modern economy based on a solid port and airport infrastructure, serving a population with high purchasing power but depending almost entirely on imports.

6. Djibouti enjoys one of the most liberal economic regimes in Africa. Its currency is freely convertible and there are no controls on capital movement.

7. Because of the lack of natural resources, the economy of Djibouti is based on services, which contribute about 70 per cent of the country's gross domestic product (GDP), while the agricultural and industrial sectors remain very small. Djibouti enjoys a comparative advantage in the region thanks to its efficient port infrastructure, banking establishments, telecommunications facilities and to a certain extent the airport and the railroad link with Ethiopia.

8. Because of the political instability in the region and the resulting decline in goods and services, the economy has been declining in the past few years. Since all its needs are imported and there are few exports, Djibouti has a structural trade deficit and the overall budget deficit is covered in part by external aid.

9. Real GDP grew on average by 4 per cent over the period from 1988 to 1992, fuelled in part by a surge in the port activity resulting from the civil war and in part by the transit of massive food aid to the hinterland of Djibouti, Ethiopia and Somalia. The armed conflict in the north and south-west, which forced most of the country's development projects to a brutal halt, coupled with the dire socio-political situations prevailing in Ethiopia and Somalia, accelerated markedly the deterioration of Djibouti's economy.

10. At the social level, living conditions are very difficult, characterized by poor nutrition as a result of low purchasing power, poor health, widespread diseases such as tuberculosis and AIDS, inadequate educational facilities and limited qualified manpower. Above all, unemployment and urban overpopulation constitute critical problems, which are exacerbated by the influx of refugees from neighbouring countries.

11. According to available data, more than 40 per cent of health services are provided to foreigners who are attracted by the proximity and the quality of Djibouti's hospitals and health centres. With the recent conflicts in the Horn of Africa, refugees (mostly from Ethiopia and Somalia) have increased the number of non-Djiboutians who benefit from the national health services. The health services are free for both nationals and refugees and with the increasing numbers of beneficiaries the health system can no longer provide adequate services to the entire population. Moreover, the armed conflicts in the north of the country have caused physical damage to the health infrastructure.

12. The national education system consists of six years of primary education, four years of lower secondary education and three years of secondary general education.

13. Djibouti's primary education is at present provided by a network of 64 public and 9 private schools. Out of the 33,005 children who were in primary schools in 1994, 29,715 were enrolled in public schools and 3,290 in private or Koranic schools. Student-teacher ratios in primary schools range from 34 to 43 students per teacher in the rural areas and are about 46 in the city. Student-classroom ratios range from 35 to 81 students per classroom and average about 65. Some schools with large numbers of students are forced to deal with the problem by holding double shifts, a practice that may have to be extended if the growing demand for more public education cannot be met by increasing investment in more schools.

14. The employment situation is closely linked to the educational sector of the country. Each year, more than 4,000 young people who have had no access to a general secondary education or to any kind of professional training arrive on the labour market without any qualification. The number is expected to grow over the next few years, in particular in the capital.

15. It is estimated that more than 80 per cent of enterprises are within the informal and semi-informal sector, including a large number of informal micro-enterprises, which play a key role in the economy of the country.

III. OVERVIEW OF THE CURRENT SITUATION

16. The recent changes in the region - the collapse of the old regime in Ethiopia, the independence of Eritrea and the civil war in Somalia - have affected Djibouti, which in the past two years has also experienced its own internal strife between the Government and opposition groups.

17. The political negotiation initiated shortly after the multi-party presidential elections of April 1993 culminated in the official signature of a national Peace and Reconciliation Accord. The main provisions of this agreement further confirm the Government's willingness to involve the Front pour la restauration de l'unité et la démocratie (FRUD), the rebel group, and all opposition groups in the democratization process.

18. In order to create an environment of peace and social stability, the Government has initiated a process of demobilization of soldiers, whose numbers

had increased from several thousand to some 20,000. This process may take some time, as opportunities to reintegrate the demobilized population into civilian life are not readily apparent and need to be explored in the overall context of the rehabilitation and reconstruction programmes.

19. The Government's present thinking is to provide each demobilized soldier with a financial allowance, which would facilitate the demobilization process. This would, however, require a substantial amount of cash, which may not be available in view of the budget deficit spurred by the war effort and the decline in government revenues.

20. The burden of the war effort, combined with a swelling civil wage bill, have further depressed the country's financial situation. Faced with financial obligations far exceeding its capacity, the Government has turned to once cash-rich public enterprises and drawn heavily on their reserves, to the point of depletion. As this internal source of financing is drying up, the volume of external aid, which had been significant, is now on a downward trend.

21. According to the World Bank, the 1993 budget deficit stood at an alarming 12 per cent of GDP. Despite a slight improvement in 1994, the budget deficit is likely to widen as a direct result of a sustained decrease in fiscal and non-fiscal revenues brought about by mounting inflationary pressures spurred by excessive borrowing from the banks. All this will culminate in less revenue being collected, which in turn will make the reimbursement of cumulated arrears (projected to reach 25 billion Djibouti francs in 1995) all the more problematic. A worsening current account position (10 per cent of GDP in 1993) compounds the overall situation of the economy.

22. The root causes of Djibouti's problems are economic. These are in part structural and in part compounded by continuous inflows of refugees from neighbouring countries undergoing war or civil strife. The country's frail economy is able to absorb less than 60 per cent of the workforce and most of those employed earn only subsistence wages. Consequently, most Djiboutians are poor and poverty is on the rise because of diminishing trade links with Ethiopia and Somalia.

23. The overall situation of the country is also characterized by limited pasture land and a high rate of livestock mortality. If there is no rainfall in the near future, the ground-water level will be reduced, resulting in a shortage of drinking water. Given the increasing influx of immigrants and refugees into Djibouti, the need for water is increasing. In the town of Djibouti, with 65 per cent of the total population, water sources in certain coastal areas have reached a high degree of salinity and imperil the agro-pastoral areas that were developed a few years ago. The drought is therefore not only the result of climatic change but is also structural to the extent that it is aggravated by overexploitation and consumption of scarce water resources. The situation has been exacerbated by the internal conflicts and the resultant displacement of the rural populations, who are confined to remote areas with no pasture for their livestock. They are now receiving food assistance from the national army.

24. With regard to social conditions, Djibouti is facing a serious health situation, with widely prevalent epidemic diseases. There are 3,000 new cases

of tuberculosis every year and malaria is on the increase. Sexually transmitted diseases are also increasing, signalling a situation that is difficult to control. Malnutrition continues to be a major public health problem, in particular in the prevailing situation of economic crisis and pressures from refugees and displaced persons. Drought is menacing over 100,000 people with the prospect of famine.

IV. MAJOR ISSUES

25. The situation in Djibouti has been adversely affected by the evolving critical situation in the Horn of Africa, the presence of tens of thousands of refugees and persons displaced from their countries, the extremes of local climate - cyclical droughts, torrential rains and floods such as those which occurred in 1989 - and the extremely limited financial capacity of the country to implement reconstruction and development programmes.

26. In addition, fighting between the Government and armed opposition groups in the north of the country resulted in a large displacement of the civilian population. It also resulted in the recruitment of 11,500 soldiers who must now be demobilized and reintegrated into civilian life.

27. The Government of Djibouti has expressed a strong desire for the demobilization of soldiers. The idea of demobilization started in early 1994 when the Government announced that security problems were under control in the previously war-affected areas. So far, steps have been taken to prepare the separation from the national army of 11,500 soldiers enlisted during the two-year conflict. The demobilization includes new recruits and former soldiers who enlisted during the hostilities.

28. Although the Government has undertaken to pay separation fees for the demobilized soldiers, it is highly unlikely that the demobilization process can proceed without external support. Given the need for a large reconstruction scheme, the food aid will be an incentive for the former soldiers and displaced persons to participate in rehabilitation activities involving the basic infrastructure, such as wells, health units and schools.

29. Djibouti has become a refugee hosting country. The increasing number of displaced persons and refugees, combined with the continuous flow of illegal immigrants in search of jobs and assistance, has become a matter of great concern to the Government.

30. Although there are no precise figures of the number of refugees, internally displaced persons and illegal immigrants, the Government believes that there are over 100,000 persons in need of assistance in the capital alone. It also claims that an equal number are affected by the drought.

31. Djibouti suffers from recurrent droughts. The first rains of 1994 started late in the southern parts of the country, while the northern region has not seen rain for over two years. Despite a normal rainfall in 1995, water sources remain low, resulting in migration of people to the capital.

32. Food requirements are met mostly through food imports, averaging some 60,000 tons of cereals annually. Djibouti's normal structural food aid requirement stands at about 18,000 tons. In 1995, the World Food Programme (WFP) provided 4,774 tons of commodities, valued at about US$ 3,011,731, to assist Somali and Ethiopian refugees from Somalia, but also to local schoolchildren, orphans and hospital patients and participants in food-for-work schemes.

33. The health situation has immediate and long-term implications. The Government is providing medical services not only to its own people but also to a large number of refugees from Ethiopia and Somalia seeking free medical treatment in Djibouti. Those refugees also bring with them diseases such as tuberculosis. While the immediate need is to strengthen the country's capacity to address the problems of tuberculosis, malaria, AIDS and malnutrition through immunization campaigns and provision of essential drugs, a longer-term solution must be found at the regional level to improve the health situation in the neighbouring countries.

34. Djibouti's education is currently under pressure to meet the challenges of growing unemployment, a rising demand from a young population and a large influx of refugees.

35. High drop-out rates of about 10 per cent per annum for the last two grades of primary school and an estimated drop-out rate of over 30 per cent at the end of the primary cycle, combined with only about 27 per cent of those completing primary education gaining a place in secondary school, represent a shocking loss of opportunity and potential. This high level of attrition at a stage when continuing learning is both optimal and desirable represents, from an educational and manpower planning perspective, a wasted national opportunity to expand and strengthen the human resource pool for the enhancement of national productivity. Improvement in the overall quality of both primary and secondary education will require tackling the internal inefficiencies in the existing system and improving services in keeping with the nation's need for an educational content responsive to the changes occurring in the national market economy.

36. Technical and vocational education in Djibouti begins at the secondary-school level. Opportunities of a limited and very specific kind exist for some students to pursue professional training. Clearly, there is an ongoing need to give the issue of growing national unemployment, especially among school drop-outs and youths, the urgent attention it deserves.

37. No active employment policies have been elaborated owing to the weak institutional capacity of the Ministry of Labour and Professional Training. The challenge, in terms of employment, is to be able to design a system that would target the unemployed according to the different categories: unskilled, school drop-outs, demobilized soldiers, refugees and women.

V. ROLE OF THE UNITED NATIONS

38. One characteristic of the operational activities of the United Nations system in Djibouti is the sustained and tight collaboration of all United Nations agencies present in the country to coordinate their efforts in order to respond to the growing social and economic problem of the refugees. The refugee situation in Djibouti is affecting not only general security but also the health sector. Djibouti's health infrastructure, although not fully developed, is accessible to all the local population. The influx of refugees from neighbouring countries affected by war who are benefiting from the health services has contributed to placing a heavy burden on the already weak public health infrastructure. That situation has also contributed to a deterioration of the environment and of the sanitation facilities in the country, especially in the capital, and resulted in an outbreak of cholera in July 1993.

39. The organizations of the United Nations system present in Djibouti are constantly dealing with that problem by developing activities related to repatriation, food distribution and education by initiating regrouping efforts to resettle refugees in camps and by clean-up operations in the capital.

40. Three months after the adoption of resolution 50/58 F by the General Assembly, the Administrator of the United Nations Development Programme (UNDP) undertook an official visit to Djibouti to discuss with both the national authorities and the donor community the reconstruction and rehabilitation needs of the country.

41. A special ad hoc contribution announced by UNDP has recently been translated into a fully approved project document for $428,000. The project seeks to address pressing rehabilitation needs through pilot activities in the three most affected areas of the country. It also aims at strengthening the capacity of the National Rehabilitation Committee in the design, implementation and monitoring of a coherent and well articulated national programme of rehabilitation based on the lessons learned from pilot exercises. Joint technical assessments missions, involving government representatives, the United Nations Disaster Management Team, local and international non-governmental organizations, were to undertake field visits in June to identify priority actions based on intense consultation with the populations. A full-fledged programme is expected to be elaborated and submitted to donors for financing by the end of 1996 or early 1997.

42. A major component of the structural adjustment programme remains the demobilization of up to 12,000 soldiers. UNDP has provided financial support to strengthen the National Demobilization Committee's capacity to implement the programme prepared by the World Bank. In response to the Government's intention to revive the round-table process initiated in 1995, UNDP is intensifying consultations with the World Bank, the International Monetary Fund (IMF) and the major bilateral agencies to enlist their support for the organization and success of such meetings. Preliminary reactions from various quarters point to the convening of the round table in the last quarter of 1996.

43. In March and April 1996, the Office of the United Nations High Commissioner for Refugees (UNHCR) conducted a repatriation operation of 4,052 Ethiopians,

reducing the total number of refugees from 23,991 to 19,939. In addition, over 200 urban refugees have been repatriated, reducing the urban refugee population to some 1,000. This follows a similar operation conducted between July and October 1995, which enabled the repatriation of 15,059 urban refugees to Ethiopia. A tripartite (Government of Djibouti/Government of Ethiopia/UNHCR) assessment mission to Ethiopia to determine the number of Djiboutian refugees in Ethiopia is envisaged. The ultimate aim is to repatriate an estimated number of 18,000 Djiboutians who fled during the civil war. As at 1 January 1996, there were 4,756 Ethiopians residing in the three remaining camps and 16,000 Somali refugees. The uncertain security and political climate have so far hampered any effective repatriation of Somali refugees.

44. The United Nations Children's Fund (UNICEF) is providing financial assistance ($40,000) to equip 17 primary schools, representing 77 classrooms in four districts (Obock, Dikhil, Ali Sabieh and Tadjourah). This is carried out in cooperation with the French Government, whose contribution covers essentially the physical rehabilitation of the school infrastructure (buildings, etc.). In a joint undertaking with the Italian Cooperation Agency (COOPI), UNICEF also contributed $60,000 to help strengthen mobil health teams in the Yoboki and Ali Sabieh areas and provide equipment for six health centres and essential drugs.

45. The World Food Programme (WFP) is pursuing its assistance to schools, hospitals and orphanages. Provision of school meals has been instrumental in increasing enrolment among rural children. In the last three years over 4,000 children in schools have participated in this project, 37 per cent of whom were female. Similarly, food aid to the health sector acts as an incentive for out-patients to attend centres for continuous treatment against tuberculosis and as a budgetary saving by providing rations through hospital meals to in-patients. To date, more than 3,000 recipients country wide benefit from the food assistance programme. Food aid through food-for-work has created opportunities for about 2,000 recipients, 25 per cent of them women, in both rural and urban areas and has contributed to the improvement of rural infrastructure, reforestation and other activities aiming at increasing the self-reliance of the rural population. Currently WFP is cooperating with donor representatives in Djibouti concerning a drought emergency operation to provide food aid to some 50,000 nomads whose animals have been affected by prolonged severe drought and animal sickness, with a consequent loss of income.

46. Concern about seeing beyond emergencies to long-term development accounts for the idea of food-for-work projects. The rationale behind those projects is that they provide additional food for people whose incomes are too low for them to have access to sufficient food for a healthy and productive life; the food supplied can also result in a substantial addition to their income. For this purpose, intensive infrastructure work has been undertaken in Djibouti by poor households, with food provided as an incentive. The objective of these multi-purpose food-for-work projects is to assist schemes for the improvement of rural infrastructure, reforestation training and other activities aimed at increasing the self-reliance of the rural population. As mentioned above, food aid through food-for-work has created opportunities for about 2,000 recipients, 25 per cent of them women, in both rural and urban areas.

47. A major accomplishment of UNDP is the identification of the new role of the private sector, now considered by the Government and the donor community one of the main engines for economic and social development. In 1993, UNDP played a leading role in this regard by pushing for institutional reform and legal restructuring of the private sector legislation through a reshaping of the Djiboutian code of commerce, that is, fiscality, an investment code, work legislation, investment promotion and so on. To that effect, a $500,000 grant was made available.

48. Protection of the environment has also been an important aspect of the UNDP agenda. A national workshop on sustainable development and environmental management was held in December 1993 together with a disaster management workshop in October 1993. The two workshops helped identify national needs and develop a strategy to put forward for the development of new legislation. Currently a project proposal with $350,000 aimed at strengthening the national capacity for environmental management and at preparing the National Environmental Action Plan is being reviewed by UNDP.

49. The Government of Djibouti continues to be seriously concerned about the presence in the country of a large number of refugees, displaced persons and illegal immigrants, victims of the instability, poverty and severe droughts witnessed by the subregion in recent years, who are putting heavy pressures on Djibouti's limited resources and overstretching the social and economic infrastructures. The authorities are estimating the number of these categories of persons at 120,000.

50. The living conditions in the refugee camps are at a minimal level and there are no prospects for the introduction of income-generating activities. The four camps are operated by the Office national d'Assistance aux réfugiés et sinistrés and are located in barely accessible sites close to the Ethiopian and Somali borders. Food assistance is provided by WFP, the medical and nutritional sectors are covered by the Association of Medical Doctors of Asia and the educational activities for some 1,500 refugee children in the camp schools are funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Evangelical Protestant Church of Djibouti provides limited social assistance to urban refugees living in the capital. In addition to its role of providing international protection to refugees, the UNHCR branch office in Djibouti funds and ensures the overall supervision and monitoring of the assistance programme. The initial assistance budget for 1995 is $1.5 million, not including the estimated $4 million in food assistance provided by WFP.

51. UNDP and WHO are involved in the fight against AIDS. In 1993, they contributed to the creation of a counselling unit that will help reduce the impact of the epidemic through education of the population, public sensitization and awareness programmes. The unit was established in the context of the National Committee for the Fight against AIDS, which UNDP has also supported by training its members. A project proposal drawn up by the members of the National Committee is also under evaluation by the AIDS Division of UNDP. In May 1995, UNDP and the Government signed a project document committing $89,000 out of UNDP country resources to combat the HIV/AIDS pandemic. In the context of the United Nations/AIDS joint and co-sponsored programme, a thematic group,

comprising all United Nations agencies concerned, has been established by the Resident Coordinator.

52. The main concern of the Government of Djibouti regarding the health sector is to create a health system accessible to all. To do so, an effort has been made to develop primary health care, to establish rural health centres and to train health staff.

53. A project will be implemented in close cooperation with WHO to prevent HIV/AIDS by raising public awareness through the work of community health workers with high-risk groups.

VI. CONCLUSIONS

54. Djibouti's difficulties and problems are related first and foremost to the conflicts in the Horn of Africa, which have created a large movement of displaced populations and reduced the country's revenues as a result of loss of trade and services. In addition, the recurring emergency situations (drought, floods, epidemics), combined with large-scale destruction of livestock, water sources, health and education facilities as a result of the war in the country, have considerably increased Djibouti's emergency and humanitarian needs.

55. As a result of a major repatriation programme to Ethiopia and a stricter national policy, the pressure from refugees, displaced persons and illegal immigrants has been somewhat alleviated. However, the problem of displaced persons resulting from the civil strife (1991-1993) remains and needs to be adequately addressed through specific actions, including the rehabilitation of affected areas and reintegration schemes for the returnees. As for the remaining refugees in Djibouti (most of whom are of Somali origin), UNHCR will continue to seek, in partnerships with all concerned, durable solutions to their plight.

56. In this respect, the most feasible long-term solution to the presence of the refugees in Djibouti would require regional political agreements that would enable these immigrants to return to their countries and keep potential newcomers in their places of origin. This long-term action would require the formal political commitment of the concerned countries and could be facilitated by the United Nations system in close cooperation with the Djibouti-based Intergovernmental Authority for Drought and Development.

57. There is also an urgent need to support the Government's demobilization programme through budgetary support in order to alleviate the financial constraints of demobilizing thousands of military personnel. Demobilization is a major issue that needs to be addressed in a larger context of rehabilitation and development, and is a necessary condition to the restoration of peace, stability and national reconciliation. It will encourage the internally displaced to regain confidence and return to their homes, and will also alleviate the heavy financial burden on the national budget.

58. The immediate need is for a rehabilitation and reconstruction of damaged or destroyed social infrastructures (schools, dispensaries, water facilities) in

all regions that have been affected by civil strife. External assistance sources will be requested to provide the necessary financial support, as well as equipment and materials, needed for the reconstruction phase.

59. In order to initiate the rehabilitation process, an effort will need to be made by the authorities to encourage displaced populations to return to the towns and villages they have left before serious efforts are made to restore public services. In this way, community participation in the renovated facilities will transfer to the community itself a sense of pride and ownership in the running and maintenance of services at the local level.

60. The Government is facing critical financial difficulties resulting from the civil strife in the country in the past few years. It is estimated that at least $30 million will be urgently needed to mitigate the socio-economic impact of the war. In order to alleviate the financial difficulties, the Government has initiated a demobilization process of some 12,000 military personnel. However, as this process will take several years to complete, it is appropriate to plan short-term budgetary aid and to assist in the economic and social reintegration of those demobilized.

61. The large numbers of primary school drop-outs with insufficient skills to enter a restricted labour market and the increasing numbers of young illiterate suggest a problem that needs serious consideration. The challenge will be to try to reform the educational system in order to make it less costly, more accessible and more relevant to the needs of the country. Unless more effort is made to educate and train Djiboutians, the kind of manpower development challenges now facing the country's fragile and declining economy will be difficult to meet, both in the short and the long term.

62. In order to understand better the emergency situation, it is important to assess separately the short-term needs of the different population groups, namely, refugees, illegal immigrants, internally displaced persons and demobilized soldiers.

63. While a comprehensive survey should be carried out to ascertain the precise nature of damage incurred and to determine the technical specifications of the equipment required, reports from the authorities suggest that a number of schools and dispensaries in the Obock and Tadjoura districts require immediate attention.

64. A well-coordinated action by the local authorities and the active participation of returnees, including demobilized soldiers, may secure the financial and technical support needed to get the job done quickly and effectively. In this regard, a number of projects could be initiated or reactivated in the following sectors: basic urban infrastructure maintenance, road construction and maintenance, afforestation and reforestation, maintenance of water sources, wells and so on. This would also alleviate the critical unemployment situation as it would allow greater access to economic opportunities. Food aid would be an incentive for the former soldiers and returnees to participate in the rehabilitation activities. The Government has also expressed its preference to "cash and food-for-work" over free food distribution.

65. Such a rehabilitation programme will require an international presence in the affected areas in order to provide the necessary technical support and, more importantly, a sense of security and confidence to the population. In this context, UNDP could serve as the coordinating body for a cross-mandate operation on behalf of all United Nations agencies, including the United Nations Volunteers, enlisting their active support in specific area- and community-based rehabilitation and reconstruction schemes. A phased-approach strategy should be adopted in harmony with the return of the displaced population and the pace of the demobilization process. The current UNDP-assisted rehabilitation programme should contribute to the restoration of peace and stability and have a positive impact on the living conditions of the population.

66. In conjunction with the rehabilitation programme and as soon as the majority of the displaced population have returned, reconstruction projects with high labour intensity will be initiated, for both public socio-economic infrastructure and private properties (housing, farms, shops, etc.).

67. These projects could be implemented by small private contractors, with the strong participation of the communities. Measures will have to be taken to support the creation of micro-enterprises in all branches of activities (commerce, agriculture, fisheries, services, crafts), with an emphasis on the use of technology appropriate to the local conditions and the use of credit and other financing mechanisms (fonds de garantie). Organizations of the United Nations system present in Djibouti are constantly dealing with that problem by developing activities related to repatriation, food distribution and education, as well as by initiating regrouping efforts to resettle refugees in camps, and by clean-up operations in the capital.

68. The Secretary-General remains deeply committed to the implementation of General Assembly resolution 50/58 F. He calls upon the international community to provide financial support to enable him to provide assistance to meet urgent socio-economic programmes for the reconstruction and development process in Djibouti.